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OPEN MEETING AGENDA ITEM



BOB STUMP
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TOM FORESE
DOUG LITTLE

ARIZONA CORPORATION COMMISSION

Jodi Jerich
Executive Director

RECEIVED

2015 MAR 31 P 1:53

ARIZONA CORP COMMISSION
DOCKET CONTROL

March 31, 2015

TO: ALL PARTIES OF RECORD

Arizona Corporation Commission

RE: IN THE MATTER OF THE APPLICATION OF PARK WATER COMPANY, INC.
FOR A PERMANENT RATE INCREASE.

DOCKETED

MAR 31 2015

DOCKET NO. W-02353A-14-0323

DOCKETED BY

The Recommended Opinion and Order in the above-captioned matter that was mailed to you on March 30, 2015, has been revised as follows:

PAGE 6, FINDING OF FACT NO. 23, DELETE:

"The remaining difference between the parties' original FVRB amounts related to the contributions in aid of construction ("CIAC"). Staff originally recommended a 6.6 percent composite depreciation rate. Park argued that because all of its CIAC related to investment in transmission and distribution mains, the depreciation rate for that plant, 2.0 percent, should be used. Staff ultimately agreed with the Company's position and recommended the use of a 2.0 percent depreciation rate for CIAC."

AND INSERT:

"Park also disputed Staff's \$11,772 adjustment to increase the accumulated depreciation balance. Park provided a detailed calculation to support its proposed accumulated depreciation balance of \$141,320, and we find it correct."

PAGE 7, FINDING OF FACT NO. 28, DELETE:

"We have found that there are errors in the parties' depreciation expense and tax calculations: accordingly, we find test year operating expenses to be \$85,922, resulting in a test year operating loss of (\$156)."

AND INSERT:

"Staff originally recommended a 6.6 percent composite amortization rate for CIAC. Park argued that because all of its CIAC relates to investment in transmission and distribution

mains, the depreciation rate for that plant, 2.0 percent, should be used. Staff ultimately agreed with the Company's position and recommended the use of a 2.0 percent CIAC amortization rate. Since we have adopted the Company's position regarding the only disputed plant classification, and the parties agree on the depreciation and amortization rates, we also adopt the Company's depreciation expense of \$16,270. After adjusting for errors in the parties' income tax calculations, we find test year operating expenses to be \$85,922, resulting in a test year operating loss of (\$156)."

PAGE 8, FINDING OF FACT NO. 34, DELETE:

"Under the circumstances, we believe that Park's requested revenue increase is reasonable."

AND INSERT:

"Under the circumstances, we believe that the return on rate base requested by Park is reasonable."

Sincerely Yours,

A handwritten signature in cursive script, reading "Belinda A. Martin".

Belinda A. Martin
Administrative Law Judge

SERVICE LIST FOR:

PARK WATER COMPANY

DOCKET NO.:

W-02353A-14-0323

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